

# **The Vermont Agency of Transportation's Disadvantaged Business Enterprise (DBE) Triennial Goal And Goal Setting Methodology for FFY 2015-2017**

## **Introduction and Overview of Goal Setting Process:**

The Vermont Agency of Transportation (VTrans) has availed itself of a variety of techniques to comply with the goal setting provisions for participation by disadvantaged business enterprises (DBEs) in its DOT-assisted contracting program, as required by Section 26.45 of the DBE Regulations.

VTrans has solicited ideas and suggestions for developing and implementing overall goals by inviting input from the women, minority, and general contracting community. In keeping with our past process, we utilized a collaborative and inclusive approach to formulating a goal setting methodology, which included a series of open meetings with industry and community groups, and prime and DBE contractors and consultants.

Information concerning the purpose and elements of the DBE Program were widely disseminated in writing, and through a series of presentations and public meetings involving a diverse range of individuals and organizations, including our currently certified DBEs, our non-DBE contractors and consultants, the Associated General Contractors - Vermont Chapter, the American Council of Engineering Consultants, the Vermont Commission on Women, the U.S. Small Business Administration, the Vermont Public Transportation Association, the Vermont Procurement Technical Assistance Center, the Vermont Agency of Commerce and Community Development, the Vermont Women's Business Center, the Vermont Small Business Development Centers, the Vermont Community Action Agencies, the Vermont Department of Labor, the Micro Business Development Program, the Women's Small Business Program, Vermont Works for Women (formerly Northern New England Tradeswomen), Vermont Chambers of Commerce, Vermont Regional Planning Commissions, the Vermont League of Cities and Towns, the University of Vermont Transportation Research Center, public transit providers and various towns and municipalities.

Feedback from these individuals and organizations included information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and the scope and effectiveness of VTrans' efforts to establish a level playing field for the participation of DBEs.

The final goal for each of our USDOT-assisted contracting programs was established through an ongoing dialogue with all our stakeholders and represents an informed consent by stakeholder groups.

In accordance with the requirements of 49 CFR Part 26, Section 26.45 VTrans publishes the goals in various media to solicit public comment.

To comply with the goal setting provisions of the DBE regulations, VTrans has employed the two step process outlined in Section 26.45, by first creating a baseline figure reflecting the relative availability of "ready, willing and able DBEs" in our marketplace, and then examining all relevant

evidence, including past DBE participation, to determine what adjustments, if any, are needed to arrive at our overall goal.

While VTrans has affirmed its commitment to meeting the maximum feasible portion of our overall goal using race-neutral means, we have also provided the requisite projection of a breakout of participation derived from both race-neutral and race-conscious measures, as specified in Section 26.51. In addition to summarizing our current race-neutral program components, we have identified a variety of new strategies, the implementation of which will serve as additional program performance measures.

### **Amount of Goal:**

#### **Federal Transit Administration (FTA) Goal:**

**In FY 2015 – FY 2017, VTrans intends to expend 2.25% of the federal financial assistance received from the Federal Transit Administration with small business concerns owned and controlled by socially and economically disadvantaged individuals (DBEs). It is the intent of VTrans that this expenditure be obtained through a race and gender neutral program.**

### **Goal Methodology:**

#### **Goal Methodology: Federal Transit Administration (FTA) Goal:**

Pursuant to February 2010 USDOT rule amendments to 49 CFR Section 26.45, VTrans' overall annual goal of 2.25% on FTA funded contracts is effective for a period of three years: FY 2015 – FY 2017. The following describes the goal methodology used to determine this three year goal:

#### **Step 1: Base Figure for the Relative Availability of DBEs**

As specified in Section 26.45(c) of the DBE Regulations, the method used to calculate the relative availability of DBEs ("base figure") for Step 1 of the goal setting process is a percentage figure calculated by dividing a number representing available DBEs by a number representing all available firms (Method 1). VTrans employed the use of our DBE directory and Census Bureau Data for calculating a base figure. We obtained our data and calculated the relative availability percentage in the following manner:

- We reviewed VTrans projected spending for FY15-17 on direct contracts from the agency, and surveyed our subrecipients (rural transit providers in Vermont) for their operating and capital spending for this period. This spending was subdivided by line item, and all spending for wages and other non-contract spending was excluded. The itemized spending was then categorized by six-digit North American Industry Classification System (NAICS) code. This collection of codes, federal spending, and their descriptions are shown below in Table 1.

**Table 1. NAICS Codes**

<b>NAICS Code</b>	<b>Description</b>	<b>FY15-FY17 Spending</b>	<b>% of Total</b>
237310	Highway, Street, and Bridge Construction	\$20,000	0.1%
238110	Poured Concrete Foundation and Structure Contractors	\$86,834	0.6%
238130	Framing Contractors	\$11,250	0.1%
238140	Masonry Contractors	\$12,161	0.1%
238150	Glass and Glazing Contractors	\$18,328	0.1%
238160	Roofing Contractors	\$62,000	0.4%
238170	Siding Contractors	\$108,470	0.7%
238190	Other Foundation, Structure, and Building Exterior Contractors	\$82,656	0.5%
238210	Electrical Contractors and Other Wiring Installation Contractors	\$46,284	0.3%
238220	Plumbing, Heating, and Air-Conditioning Contractors	\$61,083	0.4%
238290	Other Building Equipment Contractors	\$102,365	0.7%
238310	Drywall and Insulation Contractors	\$15,000	0.1%
238320	Painting and Wall Covering Contractors	\$11,250	0.1%
238350	Finish Carpentry Contractors	\$17,437	0.1%
238390	Other Building Finishing Contractors	\$12,271	0.1%
238910	Site Preparation Contractors	\$52,288	0.3%
321992	Prefabricated Wood Building Manufacturing	\$85,627	0.6%
323111	Commercial Printing (except Screen and Books)	\$105,480	0.7%
332312	Fabricated Structural Metal Manufacturing	\$32,400	0.2%
333921	Elevator and Moving Stairway Manufacturing	\$80,000	0.5%
334118	Computer Terminal and Other Peripheral Equipment Manufacturing	\$73,186	0.5%
334220	Radio and Wireless Communications Equipment Manufacturing	\$187,200	1.2%
334290	Other Communications Equipment Manufacturing	\$16,430	0.1%
334310	Audio and Video Equipment Manufacturing	\$24,000	0.2%
334419	Other Electronic Component Manufacturing	\$687,600	4.4%
336320	Motor Vehicle Electrical and Electronic Equipment Manufacturing	\$184,961	1.2%
336390	Other Motor Vehicle Parts Manufacturing	\$175,200	1.1%
337214	Office Furniture (except Wood) Manufacturing	\$44,400	0.3%
339950	Sign Manufacturing	\$6,000	0.0%
423110	Automobile and Other Motor Vehicle Merchant Wholesalers	\$96,000	0.6%
423430	Computer and Peripheral Equipt. and Software Merchant Wholesalers	\$73,800	0.5%
423820	Farm and Garden Machinery and Equipment Merchant Wholesalers	\$6,400	0.0%
423830	Industrial Machinery and Equipment Merchant Wholesalers	\$80,000	0.5%
424320	Men's and Boys' Clothing and Furnishings Merchant Wholesalers	\$122,863	0.8%
441310	Automotive Parts and Accessories Stores	\$1,583,274	10.2%
441320	Tire Dealers	\$303,636	2.0%
453210	Office Supplies and Stationery Stores	\$373,642	2.4%
454310	Fuel Dealers	\$4,462,524	28.8%
511110	Newspaper Publishers	\$54,982	0.4%
511210	Software Publishers	\$608,477	3.9%

517110	Wired Telecommunications Carriers	\$234,166	1.5%
517210	Wireless Telecommunications Carriers (except Satellite)	\$91,603	0.6%
517911	Telecommunications Resellers	\$67,200	0.4%
524126	Direct Property and Casualty Insurance Carriers	\$2,484,516	16.0%
541110	Offices of Lawyers	\$85,870	0.6%
541211	Offices of Certified Public Accountants	\$321,233	2.1%
541310	Architectural Services	\$240,506	1.6%
541512	Computer Systems Design Services	\$219,000	1.4%
541611	Administrative Mgmt and General Mgmt Consulting Services	\$271,025	1.8%
541613	Marketing Consulting Services	\$54,983	0.4%
541690	Other Scientific and Technical Consulting Services	\$54,983	0.4%
541890	Other Services Related to Advertising	\$312,576	2.0%
561622	Locksmiths	\$16,080	0.1%
561720	Janitorial Services	\$139,654	0.9%
621999	All Other Miscellaneous Ambulatory Health Care Services	\$154,908	1.0%
811111	General Automotive Repair	\$549,398	3.5%
		\$15,485,459	100.0%

- We determined the number of ready, willing and able DBEs in our market from our DBE directory for each of these NAICS codes. Then, using the Census Bureau's County Business Pattern (CBP) database, we determined the number of all ready, willing and able businesses available in our market that perform work in the same NAICS codes. For the purpose of setting an overall DBE goal for funds received from FTA, it was determined that our market or service area was the State of Vermont, with one exception. The first listed code, Highway, Street and Bridge Construction had 24 DBEs in Vermont, but only five of these were actually based in Vermont. Twelve of the Vermont DBEs were based in Massachusetts or New York. Thus, the total number of Massachusetts and New York establishments in this category were added to the 32 total establishments in Vermont, so as not to skew the result. Table 2 shows the number of VAOT-certified DBE firms in each of these categories and calculates the unweighted relative availability of DBEs.

**Table 2. Relative Availability of DBE Firms by NAICS Code**

NAICS Code	Description	VT DBE Firms	CBP Total for VT
237310	Highway, Street, and Bridge Construction	24	737*
238110	Poured Concrete Foundation and Structure Contractors	1	66
238130	Framing Contractors	1	52
238140	Masonry Contractors	2	101
238150	Glass and Glazing Contractors	1	13
238160	Roofing Contractors	1	78
238170	Siding Contractors	0	21
238190	Other Foundation, Structure, and Building Exterior Contractors	3	10
238210	Electrical Contractors and Other Wiring Installation Contractors	5	282
238220	Plumbing, Heating, and Air-Conditioning Contractors	2	285
238290	Other Building Equipment Contractors	2	20
238310	Drywall and Insulation Contractors	2	64

238320	Painting and Wall Covering Contractors	5	160
238350	Finish Carpentry Contractors	0	120
238390	Other Building Finishing Contractors	2	14
238910	Site Preparation Contractors	14	320
321992	Prefabricated Wood Building Manufacturing	0	9
323111	Commercial Printing (except Screen and Books)	0	45
332312	Fabricated Structural Metal Manufacturing	0	5
333921	Elevator and Moving Stairway Manufacturing	0	1
334118	Computer Terminal and Other Peripheral Equipment Manufacturing	1	1
334220	Radio and Wireless Communications Equipment Manufacturing	0	1
334290	Other Communications Equipment Manufacturing	0	3
334310	Audio and Video Equipment Manufacturing	0	1
334419	Other Electronic Component Manufacturing	0	2
336320	Motor Vehicle Electrical and Electronic Equipment Manufacturing	0	1
336390	Other Motor Vehicle Parts Manufacturing	0	1
337214	Office Furniture (except Wood) Manufacturing	0	2
339950	Sign Manufacturing	1	8
423110	Automobile and Other Motor Vehicle Merchant Wholesalers	1	13
423430	Computer and Peripheral Eqpt. and Software Merchant Wholesalers	2	12
423820	Farm and Garden Machinery and Equipment Merchant Wholesalers	0	24
423830	Industrial Machinery and Equipment Merchant Wholesalers	1	40
424320	Men's and Boys' Clothing and Furnishings Merchant Wholesalers	1	7
441310	Automotive Parts and Accessories Stores	1	108
441320	Tire Dealers	0	43
453210	Office Supplies and Stationery Stores	0	20
454310	Fuel Dealers	0	105
511110	Newspaper Publishers	0	40
511210	Software Publishers	1	25
517110	Wired Telecommunications Carriers	0	127
517210	Wireless Telecommunications Carriers (except Satellite)	0	17
517911	Telecommunications Resellers	1	2
524126	Direct Property and Casualty Insurance Carriers	0	41
541110	Offices of Lawyers	1	437
541211	Offices of Certified Public Accountants	3	141
541310	Architectural Services	3	85
541512	Computer Systems Design Services	13	79
541611	Administrative Mgmt and General Mgmt Consulting Services	20	128
541613	Marketing Consulting Services	7	63
541690	Other Scientific and Technical Consulting Services	12	48
541890	Other Services Related to Advertising	0	19
561622	Locksmiths	0	3
561720	Janitorial Services	2	169
621999	All Other Miscellaneous Ambulatory Health Care Services	0	17
811111	General Automotive Repair	1	339
	TOTALS	113	3,838

\*Includes Massachusetts and New York establishments

The 113 ready, willing, and able DBE firms in the Vermont DBE Registry, divided by the 3,838 total Vermont firms from the County Business Patterns database, yields an unweighted base figure of 2.94%.

In order to better reflect the availability of DBE contractors with regard to potential spending, we recalculated the relative availability using a weighted approach, so that the NAICS codes with higher spending are weighted more heavily. This is appropriate, since the historical awards to DBEs are based directly on spending, rather than on relative availability.

The percentages of total spending represented by each of the NAICS categories, shown in the rightmost column of Table 1, were multiplied by the percent availability of DBE contractors for each NAICS code. The results of this calculation are shown below in Table 3.

**Table 3. Weighted Average of DBE Availability**

NAICS Code	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Pct Available		Weight	Weighted Availability
237310	24	737	3.3%	x	0.1%	0.00%
238110	1	66	1.5%	x	0.6%	0.01%
238130	1	52	1.9%	x	0.1%	0.00%
238140	2	101	2.0%	x	0.1%	0.00%
238150	1	13	7.7%	x	0.1%	0.01%
238160	1	78	1.3%	x	0.4%	0.01%
238170	0	21	0.0%	x	0.7%	0.00%
238190	3	10	30.0%	x	0.5%	0.16%
238210	5	282	1.8%	x	0.3%	0.01%
238220	2	285	0.7%	x	0.4%	0.00%
238290	2	20	10.0%	x	0.7%	0.07%
238310	2	64	3.1%	x	0.1%	0.00%
238320	5	160	3.1%	x	0.1%	0.00%
238350	0	120	0.0%	x	0.1%	0.00%
238390	2	14	14.3%	x	0.1%	0.01%
238910	14	320	4.4%	x	0.3%	0.01%
321992	0	9	0.0%	x	0.6%	0.00%
323111	0	45	0.0%	x	0.7%	0.00%
332312	0	5	0.0%	x	0.2%	0.00%
333921	0	1	0.0%	x	0.5%	0.00%
334118	1	1	100.0%	x	0.5%	0.47%
334220	0	1	0.0%	x	1.2%	0.00%
334290	0	3	0.0%	x	0.1%	0.00%
334310	0	1	0.0%	x	0.2%	0.00%

334419	0	2	0.0%	x	4.4%	0.00%
336320	0	1	0.0%	x	1.2%	0.00%
336390	0	1	0.0%	x	1.1%	0.00%
337214	0	2	0.0%	x	0.3%	0.00%
339950	1	8	12.5%	x	0.0%	0.00%
423110	1	13	7.7%	x	0.6%	0.05%
423430	2	12	16.7%	x	0.5%	0.08%
423820	0	24	0.0%	x	0.0%	0.00%
423830	1	40	2.5%	x	0.5%	0.01%
424320	1	7	14.3%	x	0.8%	0.11%
441310	1	108	0.9%	x	10.2%	0.09%
441320	0	43	0.0%	x	2.0%	0.00%
453210	0	20	0.0%	x	2.4%	0.00%
454310	0	105	0.0%	x	28.8%	0.00%
511110	0	40	0.0%	x	0.4%	0.00%
511210	1	25	4.0%	x	3.9%	0.16%
517110	0	127	0.0%	x	1.5%	0.00%
517210	0	17	0.0%	x	0.6%	0.00%
517911	1	2	50.0%	x	0.4%	0.22%
524126	0	41	0.0%	x	16.0%	0.00%
541110	1	437	0.2%	x	0.6%	0.00%
541211	3	141	2.1%	x	2.1%	0.04%
541310	3	85	3.5%	x	1.6%	0.05%
541512	13	79	16.5%	x	1.4%	0.23%
541611	20	128	15.6%	x	1.8%	0.27%
541613	7	63	11.1%	x	0.4%	0.04%
541690	12	48	25.0%	x	0.4%	0.09%
541890	0	19	0.0%	x	2.0%	0.00%
561622	0	3	0.0%	x	0.1%	0.00%
561720	2	169	1.2%	x	0.9%	0.01%
621999	0	17	0.0%	x	1.0%	0.00%
811111	1	339	0.3%	x	3.5%	0.01%

The weighted average DBE availability is the sum of the weighted availabilities in the rightmost column, which comes out to 2.25%. This is the step 1 base figure.

### Step 2: Adjustment to Base Figure

As specified in Section 26.45, once the relative availability of ready, willing and able DBEs in our marketplace has been determined, it is necessary to examine additional evidence and, if appropriate, make adjustments to the base figure, to ensure that our goal truly and accurately reflects the level of DBE participation we would expect absent the effects of discrimination.

Table 4 below shows the historical awards to DBE firms by year for the past five years. The

annual percent to DBEs was calculated by adding together the semi-annual reports for each year, and then dividing the DBE contracting by the total contracting figure.

**Table 4. Historical Contract Awards to DBE Firms**

Year	Total Dollars	Total to DBEs	Percent to DBEs
FY 2009	\$2,364,388	\$125,549	5.31%
FY 2010	\$2,212,445	\$131,198	5.93%
FY 2011	\$1,010,858	\$57,720	5.71%
FY 2012	\$1,254,481	\$107,509	8.57%
FY 2013	\$1,124,191	\$84,764	7.54%
		Median	5.93%

It can be seen in Table 4 that the State of Vermont has substantially overachieved in DBE contracting, especially in the most recent two years when the goal was 4.08% but the actual awards were about twice that percentage. It must be noted that the denominator in the calculation (the total dollars awarded) has been relatively small since FY 2011, only about half the amount of the previous two years. Thus, the relatively high percentage of DBE awards is not a result of increased DBE contracting, but just a smaller total pool of contracts overall. Indeed, the DBE contracting amounts in FY 2012 and 2013 are smaller than the amounts in FY 2009 and 2010.

Another critical point to be made is that the majority of DBE contract dollars in FY 2012 (\$99,310) and FY 2013 (\$57,309) went to one DBE firm that was conducting a statewide policy plan for public transportation as well as an intercity bus plan. Those plans were completed in FY 2014 and will not be repeated until FY 2018 at the earliest.

The conclusion of this analysis is that the relatively high percentages of DBE awards over the past several years are not a good indication of future potential DBE participation. A more important consideration is that one of the subrecipients of VTrans—the Deerfield Valley Transit Association—will be undertaking a construction project of a maintenance and administration facility beginning in FY 2014, using nearly \$3 million in FTA funds. DVTA will be using race-neutral mean to encourage DBE participation, but initial indications are that, in spite of significant outreach to DBE firms, DBE participation will be low.

The combination of these factors: the end of the statewide plan, the significant increase in the denominator due to the large construction project, and the low participation of DBEs in the construction project, will result in much lower DBE contract awards as a percentage of the total going forward into FY 2014 and beyond. As a result, VTrans chooses not to adjust the base figure by averaging it with historical results.

VTrans considered several other potential adjustments to the base figure before concluding the analysis:

- **Disparity Studies:** There has been no known disparity study performed in Vermont, New Hampshire, or Maine for any public agency or private sector company.

- **Statistical Disparities in the Ability of DBEs to Get the Financing, Bonding, and Insurance Required to Participate in the VTrans DBE Program:** VTrans has not collected and analyzed this data related to transit contracts. VTrans offers training, mentoring, and one-on-one business coaching to its DBEs through the VTrans Business Development Program, and partners with the Small Business Administration and other agencies to promote accessible financing, bonding, and insurance to all certified DBEs. This has not been identified as a barrier to contracting and procurement opportunities for DBEs in Vermont.
- **Data on Employment, Self-Employment, Education, Training and Union Apprenticeship Programs, to the Extent They Relate to the Opportunities for DBEs to Perform in the VTrans DBE Program:** VTrans has not collected and analyzed this data related to transit contracts. Through the VTrans Business Development Program, DBEs are assessed for training needs, and VTrans funds DBE training to remove barriers, build capacity, and enhance critical business skills.

After full consideration of these factors, VTrans concludes that the weighted base figure of 2.25% is an appropriate goal for FY 2015 – 2017 for our FTA-assisted contracts.

#### **Important Note on Reporting Methodology**

In the course of performing this goal-setting analysis, VTrans discovered that several of its subrecipients and its own internal reporting process were not properly accounting for all of the types of contracts that should be considered in determining the appropriate DBE goal. Evidence for this can be seen in the annual totals in the historical figures in table 4 (in the range of \$1 million to \$2 million) compared to the 3-year spending total of \$15 million shown in table 1, suggesting an annual total spending of about \$5 million.

This discovery affects the interpretation of the past history of DBE awards, rather than the forward-looking goal that is set forth above. The new set of spending categories shown in tables 1 and 2, significantly expanded compared to the set used in the FY12-14 goal-setting document, properly reflect the scope of contracting activities of VTrans and its subrecipients. The fact that the historical results do not encompass this same set of spending categories is further reason to avoid averaging the step 1 figure with the historical median.

VTrans will be providing training in January 2016 to its subrecipients to ensure that reporting for total contracting and DBE participation for FY15-17 accurately reflects the spending categories included in this DBE goal.

#### **Breakout of Estimated Race-Neutral and Race-Conscious Participation**

VTrans will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation. VTrans uses the following race-neutral means to increase DBE participation:

- Providing technical assistance and other services to DBEs, directly and via consultants, seminars, partnerships with technical assistance providers and academic institutions;

- Administering a business development program, the Vermont Business Development Program (VBDP), for certified DBEs that provides one-on-one business counseling and needs assessments, business and marketing plan development, and training and networking opportunities.
- Carrying out information and communications programs on contracting procedures and specific contract opportunities;
- Producing and distributing free How To Do Business with the Agency of Transportation Guide and other resource materials;
- Providing formal and informal training and presentations to DBEs and other contractors.
- Implementing a supportive services program to develop and improve immediate and long-term business management, record keeping, and financial and accounting capability for DBEs;
- Providing frequent updates to our DBEs on all bidding and subcontracting opportunities;
- Conducting periodic user surveys and needs assessments to better determine DBE needs (e.g., training, financing, etc.) and to obtain better contact info;
- Producing and distributing an electronic newsletter that showcases successful DBEs, introduces new DBEs, provides a calendar of events, and many web links to contracting and business development resources.
- Ensuring distribution of our DBE Directory, through print and electronic means, to the widest feasible universe of potential prime contractors, including mail distribution to all potential prime bidders, and widespread distribution at conferences, expos, and seminars;
- Developing and delivering small business training and networking opportunities, including the annual Government Contracting Conference, the annual Women's Economic Opportunity Conference, matchmaker events, etc.;
- Assisting DBEs to develop their capability to utilize emerging technology and conduct business through electronic media, and utilizing our website to disseminate information, including our Directory, bid opportunities, updated information on Part 26, and useful links;
- Providing services to help DBEs improve long-term development, increase opportunities to participate in a variety of different kinds of work, handle increasingly significant projects, successfully compete as prime contractors, and achieve eventual self-sufficiency;

- Serving on the Advisory Council of the Vermont Women’s Business Center (VWBC), and supporting the VWBC’s mission through collaborative efforts and sponsorship of training programs;
- Providing assistance in overcoming limitations such as an inability to obtain bonding or financing, and identify and eliminate other barriers to contracting with the VT Agency of Transportation;
- Networking with local, state and federal agencies, non-profits, academic and business communities to obtain maximum partnering opportunities and resources, and develop comprehensive resource and referral network with technical assistance and service providers;
- Coordinating with other state DBE Liaison Officers, to ensure certification reciprocity and to maximize interstate contracting opportunities; and
- Assisting DBEs to establish prequalification status.

In addition to the above-described race-neutral means that VTrans already employs to increase DBE participation, we propose implementing and expanding our efforts in the following ways:

- Providing more one-on-one business counseling services to our DBEs;
- Ensuring that our prime contractors consider the use of DBEs in all possible work categories, by providing quick reference guides detailing the expertise and capacities of our DBEs;
- Providing frequent updates to our DBEs on all bidding and subcontracting opportunities; and
- Providing more effective outreach with minority businesses.

**Breakout of Estimated Race-Neutral and Race-Conscious Participation: FTA-Assisted Contracting Program:**

**On our FTA-assisted contracts, VTrans estimates that we will meet our entire overall goal of 2.25% through race-neutral participation, and that we will not have to resort to race-conscious measures.**

Since 1999, VTrans has administered a race and gender neutral DBE Program, and has not resorted to race-conscious measures, including project specific DBE goals. Therefore, all past participation by DBE prime contractors and subcontractors since 1999 has been race and gender neutral.

The recent level of DBE participation on FTA- assisted contracts supports our estimated breakout. The following table illustrates the amounts by which the DBE goals were exceeded over the past five years in the VTrans FTA-Assisted Contracting Program:

<u>Federal Fiscal Year</u>	<u>DBE Goal</u>	<u>DBE Goal Attainment</u>	<u>Amount By Which Goal Was Exceeded</u>
FY 2009	3.77%	5.31%	1.54%
FY 2010	3.94%	5.93%	1.99%
FY 2011	3.73%	5.71%	1.98%
FY 2012	4.08%	8.57%	4.49%
FY 2013	4.08%	7.54%	3.46%

We will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual DBE participation and we will track and report race-neutral and race-conscious participation separately. For reporting purposes, race-neutral DBE participation includes, but is not necessarily limited to, the following:

- DBE participation through a prime contract a DBE obtains through customary competitive procurement procedures.
- DBE participation through a subcontract on a prime contract that does not carry a DBE goal.
- DBE participation on a prime contract exceeding a contract goal.
- DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award.